GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1705
ANSWERED ON:06.03.2000
HIKE IN PRICES OF PETROLEUM PRODUCTS
AJAY SINGH CHAUTALA;ALE NARENDRA;DR. KIRIT SOMAIYA;MADHAVRAO SCINDIA;P.C. THOMAS;SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the deficit of oil pool account has increased in the last six months;

(b) if so, the reasons therefor;

(c) the steps taken by the Government to bring down this deficit;

(d) whether the Government propose to hike the prices of diesel, petroleum and cooking gas to bring down the subsidy on these products; and

(e) if so, the details thereof?

Answer

MININSTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI SANTOSH KUMAR GANGWAR)

(a) The cumulative outstandings of the oil companies from the oil pool account are estimated to be around Rs.6000 crores as on 31.3.2000 as against Rs.3408 crores on 31.3.1999.

(b) The increase in oil pool deficit has been due to increase in the prices of the crude oil and petroleum products in the international market.

(c) With a view to reduce the deficit in the oil pool account, the Government have effected periodical revision of prices of petroleum products.

(d) & (e): The ex-storage point prices of LPG (Domestic), kerosene oil (PDS), diesel, petrol and aviation turbine fuel are price administered whereas, the prices of other petroleum products are de-controlled. Government had, in September 1997, principle of import parity pricing upto the ex-storage point level. Further, Government had, in November 1997, decided that the subsidy on LPG (Domestic) and kerosene oil (PDS) will be reduced in phases to reach the level of 15% and 33.33% of the import parity price by 2000-01 and 2001-02 respectively. The subsidy will be transferred to the fiscal budget from 2002 onward.